Councilors Present: Greg Abbe (for Jennifer Maddox), Marie Abdou (for Chris Porter), Cindy Arcate, Brian Beote (for Elliott Jacobson), Don Boecke (for Maura Healey), Amy Boyd, Elizabeth Cellucci, Tim Costa (for Victoria Rojo), Justin Davidson, Maggie Downey, Paul Gromer, Frank Gundal (for Tilak Subrahmanian), Charlie Harak, Paul Johnson, Deirdre Manning, Tom Palma (for Cindy Carroll), Robert Rio, Stephanie Terach, Mary Wambui, Sharon Weber (for Martin Suuberg), Brooks Winner (for Cammy Peterson)

Councilors Absent: Michael Ferrante, Jane Lano, Andrew Newman

Consultants Present: Eric Belliveau, Adrian Caesar, Jeff Schlegel (via Phone)

DOER Staff Present: Rachel Evans, Maggie McCarey, Emily Powers

1. Call to Order

McCarey, as Chair, called the meeting to order at 12:37 PM.

2. Public Comment

*Edward Woll (Gas Leaks Allies Coalition)*

Woll expressed support of the Merrimack Valley Interfaith Team’s request to extend the enhanced weatherization incentives for Columbia Gas customers. In addition, he said the exclusion of rebates for switching from gas-powered furnaces and water heaters to heat pumps obstructs many residents from converting. In order to incentivize space and water heating electrification, Woll believed that providing rebates of $600 per natural gas furnace and water heater would be necessary.

*David Funk (NLX)*
Funk commented that Daily Dispatch is one of the strongest Active Demand Response programs for stimulating behind-the-meter storage growth. He added that a pay-for performance model that locks in revenue for five years will provide price certainty and enable easier project financing. Since negotiating contracts and completing interconnection work can take 2-3 years, Funk encouraged the Council to expedite approval of Daily Dispatch as a full offering this Spring.

Jay Galasso and Andrea Belfry (altE Store)
Galasso complimented the Daily Dispatch program, but described concerns related to program delivery. The first concern involved the potential for innovation that is lost by virtue of the program focusing on a narrow share of players in the storage market. Second, there was a detrimental impact on independent storage system installers since they are typically unable to purchase equipment from vendors included in the program. He believed that other battery companies and installers should be included in 2020, as opposed to just the five approved vendors from the 2019 demonstration.

Responses to Public Comment
On behalf of the PAs McCarthy, regarding Daily Dispatch, said that two or three additional integrators for inverters will be joining the program this upcoming summer as there is evidence of consumer interest. McCarthy added that allowing independent and non-vertically integrated systems will enable customers to select from a wider range of Massachusetts-based installers. As it related to exclusion of players in the storage market, McCarthy indicated that full approval of Daily Dispatch would provide greater budget flexibility, but there would be no changes in planned installations.

3. Council Updates & Business

McCarey announced that Patrick Woodcock was sworn in as the new DOER Commissioner after working with EEA as the undersecretary for Energy.

Councilor Malmstrom thanked the Council for his time as a member before he announced his resignation. He said he will remain as involved as possible with Council business as the Executive Director of Sustainability at Alexander Real Estate.

December 4, 2020 ExCom Meeting Minutes
Boyd motioned to approve the minutes as submitted. Boecke seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as submitted, by the Executive Committee.

January 8, 2020 EEAC Executive Committee Meeting Minutes
Boecke motioned to approve the minutes as submitted. Malmstrom seconded. All were in favor, with none opposed or abstaining. The minutes were approved, as submitted, by the Executive Committee.
January 22, 2020 EEAC Meeting Minutes
Winner pointed out a word omission on Page 3 under the Discussion on Priority #3, Rachel Evans noted she was present, and Jane Lano was added as the Berkshire Gas representative. Winner motioned to approve the minutes as amended. Boyd seconded. All were in favor, with none opposed. Malmstrom abstained. The minutes were approved, as amended, by the Council.

2020 EEAC Budget and Consultant Team Work Plan
McCarey walked through the proposed 2020 Council budget, which included projected Consultant Team (C-Team) and operating costs that were benchmarked against previous budgets.

Johnson asked what was included in electric and gas spending contributions. McCarey said it included program administrator (PA) contributions to the EEAC budget for operating costs and consultants based on approved DPU percentages.

Consultant Team Work Plan – Vote
Harak motioned to approve the 2020 Consultant Team Work Plan as submitted. Boyd seconded. All were in favor, with none opposed or abstaining. The 2020 Consultant Team Work Plan was approved, as submitted, by the Council.

2020 EEAC Budget Request to DPU – Vote
Harak motioned to approve the 2020 EEAC Budget Request as submitted. Boyd seconded. All were in favor, with none opposed or abstaining. The 2020 EEAC Budget Request was approved, as submitted, by the Council.

4. Daily Dispatch Resolution – Review and Vote
Consultant Team Daily Dispatch Presentation
Schlegel, on behalf of the C-Team, presented an evaluation of the 2019 Daily Dispatch program. He concluded that the Council should support Daily Dispatch approval, inclusive of a pay-for-performance method, and expand the program moving forward.

Daily Dispatch Council Discussion and Vote
Arcate asked what data was available showing the number of customers who declined participation and the reasons they did not participate. McCarthy replied that no C&I customers opted out of the program, but budget limitations hindered additional enrollment; only technical barriers to battery installation caused these customers to opt out. Arcate then asked if it made sense to provide similar incentives for customers that have different demand charges. McCarthy responded that the uniformity made the incentive structure clearer to customers, but optimization of the incentives could increase value. McCarey asked if incentives could be altered once the Council approved of Daily Dispatch, since lessons learned could help set optimal incentive levels. McCarthy said that Council approval would provide flexibility to modify incentives. Schlegel indicated the incentive structure in place was appropriate, given that customers with behind-the-meter systems are participating which allows the Commonwealth to benefit from that storage capacity.
Johnson commented the quantity of C&I storage systems needed to be expanded. McCarey replied that until Daily Dispatch is approved by the Department of Public Utilities (DPU), the amount of storage systems installed would be limited. Johnson also asked why the incentive costs and planned capacity for Eversource were so low compared to National Grid. McCarthy expected an increase in the amount of energy storage systems that will come online in the future, but Eversource and National Grid came to different estimates after speaking with developers during planning.

McCarey wanted to know if any eligible customers have been denied participation, and suggested the PA’s should report enrollment and any barriers preventing participation. McCarthy indicated that once Daily Dispatch becomes a full program offering, there should not be a participation ceiling.

Johnson asked how they track which residents have batteries and which manufacturers provided them. McCarthy said the PA’s speak with business partners and use interconnection applications that help them check for pending storage projects; they are unable to track this same information for batteries that are not interconnected.

Abbe suggested the PA’s avoid promoting specific storage system brands when promoting daily dispatch, and instead focus on describing compatibility requirements for storage technology. McCarthy added that the program should not be exclusive and any products that meet performance qualifications should be treated equally.

**Daily Dispatch Resolution - Vote**
Boyd motioned to approve the Daily Dispatch Resolution as submitted. Manning seconded. All were in favor, with none opposed or abstaining. The Daily Dispatch Resolution was approved, as submitted, by the Council.

5. **Greater Lawrence Enhanced Incentives – Resolution**

**Columbia Gas Update**
Cellucci presented an update on the Greater Lawrence enhanced incentive program participation, spending and status of the pending extension. About 20% of homes in both Andover and North Andover received treatment in 2019, compared to 7% of homes in Lawrence. Cellucci requested support of extending the enhanced incentive offer for no cost air sealing and insulation through 2020, and noted that many invoices were submitted during the final six weeks of 2019.

**Greater Lawrence Proposed Resolution Council Discussion and Vote**
Harak wondered if the lack of income reporting for participants meant there were low-income residents who were served, but not tracked. Cellucci indicated a mix of low-income, moderate-income, and market rate customers were served post-incident, but no rate class tracking was done. However, post-incident equipment replacement efforts were not funded by energy efficiency dollars, so any associated heating and water heating savings were not claimed.
Johnson was impressed by participation rates in Andover and North Andover, and asked why Lawrence has not experienced comparable rates. Cellucci attributed the discrepancy in these towns to contractor-driven marketing efforts in Andover and North Andover that did not occur in Lawrence.

Winner noted that the Resolution included discrete plans for program reporting, but no specific strategies to boost participation in Lawrence. Cellucci clarified that the focus of the Resolution was to extend the enhanced incentives through 2020 in response to stakeholder requests, not to necessarily address participation gaps between towns. She added that Columbia Gas, DOER, and Greater Lawrence community action programs are working to leverage the municipal partnerships and secure additional pre-weatherization funds for Lawrence. Winner asked if it would make sense to extend the enhanced incentives in Andover and North Andover when Lawrence has significantly lower participation rates. Cellucci responded that the goal is to capture all possible savings opportunities, so the enhanced incentives would benefit all three communities. She added that additional information related to barriers and barrier mitigation could be presented to the Council, but increased participation in Lawrence cannot be guaranteed.

Boyd thought the incentive extension would be beneficial, given cost-effective savings are being claimed, but overlooking the participation gaps would not be prudent.

Wambui opposed extension of the enhanced incentives without implementing a specific strategy to increase participation rates in Lawrence. The first reason was that representatives of the Lawrence community have expressed a need and desire to be served by the program. Secondly, she stated that pursuing savings without considering differences between communities facilitates inequity, as low- and moderate-income customers can benefit more from reduced utility bills. Wambui added that the Council needs to be thoughtful when addressing equity issues since they have become integral to addressing energy efficiency and climate change issues as well.

Manning suggested the language around pursuing cost-effective savings anywhere is an industry norm related to quantifying benefits, and is not meant to address social equity issues. Wambui understood Manning’s statement, but recommended the language change since equity will be a crucial component to energy efficiency moving forward.

Arcate noted the primary reason for the enhanced incentive offering was to capture the savings opportunity following the gas disaster. She said the incentives should only be extended in Lawrence since that community has not experienced comparable participation to Andover and North Andover.

Johnson agreed with Wambui and Arcate. He indicated that since all ratepayers contribute to energy efficiency funds, all customers are entitled to energy efficiency benefits and incentives. He asserted that funds for Andover and North Andover should be reallocated toward barrier mitigation and marketing in Lawrence. Given that marketing efforts were largely carried out by contractors, Johnson suggested an external salesforce be employed to market the program in Lawrence.
Harak hoped a full extension and formal evaluation of the program could explain what challenges exist for serving low- and moderate-income customers, as this information could help with program implementation throughout the Commonwealth. Cellucci said the bulk of Home Energy Assessments conducted in Lawrence were completed by Columbia’s lead vendor, so they have been directing resources there. She added that the Interfaith Team and other Lawrence community and State representatives have supported extension of enhanced incentives in all three communities.

Rio stated extension of the program in all three towns would be beneficial due to the high participation in Andover and North Andover. He said lower participation trends in Lawrence have already been observed in other areas with sizeable low- and moderate-income populations, and that these communities need enhanced outreach. Rio believed that extension of the program in all three towns could provide useful data moving forward. Cellucci planned to do a third-party evaluation, and had a tentative agreement with an evaluator in place.

Winner felt that workforce barriers were more prevalent in Lawrence than technical barriers, and said that home performance contractors will continue to serve less customers in Lawrence unless action is taken. Cellucci stated Columbia’s lead vendor has partnered with the Green Jobs Academy to foster workforce development in Lawrence. Boyd suggested that since participation has been impressive in Andover and North Andover, the Council may want to capitalize on that and handle participation issues in Lawrence separately.

Jacobson highlighted that there has not been historical underperformance in Lawrence, and the participation disparity is attributable to the enhanced incentives. He added that there are efforts underway to determine how much service has been provided to Lawrence residents, so he supported the extension.

Belliveau stated the assumption that 7% participation in Lawrence was low could not be confirmed until additional data is provided. He said no matter what form the extension takes, it should be evaluated and studied thoroughly.

**Columbia Gas Proposal - Vote**

Arcate motioned to amend the Resolution to extend the enhanced incentive offering for Lawrence residents only. Johnson seconded. Wambui was in favor. Boyd, Harak, Boecke, Jacobson, McCarey, Malmstrom, Manning, Davidson, Rio, and Weber were opposed. Abbe and Winner abstained. Boecke indicated such an amendment would wrongfully exclude residents in Andover and North Andover who could benefit from the program. Rio agreed that if the goal is to reach as many customers as possible, the Council should include all eligible customers first, then target low- and moderate-income residents after learning how to best serve them.

Rio motioned to approve the Resolution as submitted. Boecke seconded. Boyd, Harak, Jacobson, McCarey, Malmstrom, Manning, Davidson, and Weber were in favor. Arcate, Johnson, and Wambui were opposed. Abbe and Winner abstained. The Resolution was approved, as submitted, by the Council.

6. **Cape and Vineyard Electrification Offering**
**Cape Light Compact Proposal**

Maggie Downey and Austin Brandt presented on Cape Light Compact’s (CLC) CVEO program design and proposal. They are offering 75%-100% incentives to low- and moderate-income customers for replacing heating systems with cold climate heat pumps and solar PV installations. The program was designed to leverage existing incentives, which results in reduced costs and energy efficiency bill impacts. Downey indicated that the Council should vote on the Proposal no later than March.

**Council Discussion, Resolution Review and Potential Vote**

Harak asked if the targeted properties were owned by the Public Housing Authority, but rented to customers. Brandt said DHCD identified low-income properties on the Cape that are deed restricted, so there is a sufficient market to be served there. Downey added all of Martha’s Vineyard relies on oil, propane, and electric resistance heating, so there will be a need to reduce greenhouse gas emissions in existing buildings to meet statewide net zero goals. Harak also asked what the beyond ten-year maintenance contracts would cost customers. Downey replied a maintenance contract costs about $300; Brandt indicated solar arrays are low maintenance, but inverters were more likely to need maintenance. Weber and Gromer praised the program design, and supported its full implementation.

Johnson also praised CLC for the innovative program design, especially the caveat that homes must receive weatherization services prior to solar and electrification services. He asked what the average cost was for solar and battery projects. Brandt estimated the range to be $17,000-$20,000 inclusive of expected revenue streams, but the total installed cost of the system would be higher.

Boyd wondered what differentiated CVEO from Daily Dispatch and statewide low- and moderate-income heating programs. Brandt indicated that of the $6.8 million for heat pumps displayed in the presentation, only $1.7 million came from existing statewide programs; for photovoltaic solar, Residential ConnectedSolutions comprised about $250,000 out of the $5 million for photovoltaic solar and storage systems. Brandt added that they assumed consistent incentive levels for Residential ConnectedSolutions for five years while budgeting.

Belliveau asked if customers in the Outer Cape were residents year-round, and what the baseline consideration was for air conditioning. Downey indicated there were both year-round and part-time residents who participated. Brandt said the baseline assumption for air conditioning was window air conditioning units.

McCarey announced that the Council will vote on CVEO in March after the Resolution is drafted.

**7. Adjournment**

Prior to adjourning the meeting, McCarey announced that the C&I Program Manager position had been posted and encouraged Councilors to distribute within their networks.

McCarey, as Chair, adjourned the meeting at 3:55 PM.